

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

WILLARD L. SLOAN, EUGENE J.
WINNINGHAM, and JAMES L. KELLEY,
on behalf of themselves and a similarly
situated class,

Plaintiffs,

Case No. 09-cv-10918
Hon. Paul D. Borman
Magistrate Mona K. Majzoub

v.

Class Action

BORGWARNER, INC., BORGWARNER
FLEXIBLE BENEFITS PLANS and
BORGWARNER DIVERSIFIED
TRANSMISSION PRODUCTS, INC.,

Defendants.

EXHIBIT 27

TO

**PLAINTIFFS' MOTION
FOR SUMMARY JUDGMENT
AS TO LIABILITY**

BorgWarner Automotive Divestiture Transmission Products Corporation	Muncie Plant Avon	East Kings Avenue 47304	Muncie Indiana	Telephone 765-288-5100 Fax 765-286-6752
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Date: Monday, September 27, 1999

To: Saundra Roark

From: Dick Nuerga

Re: Life Insurance

Saundra, last week you encountered a case of an hourly employee who was hired after 1/1/93 and wondered if "life insurance" might be involved, if any.

Obviously, in the case you mentioned that person would NOT be eligible for any Group Life or Group Medical coverage following her termination. None of those people hired on or after 1/1/1993 are eligible for Company provided coverages after they terminate employment with the Company!

(I understand that the Hourly RSP (Retirement Savings Plan) treated her termination like a TPD (Total & Permanent Disability) "retirement" for RSP purposes), but if she was hired on or after 1/1/1993 she has no Company provided Life or Health coverages.

If she had been a participant in the Retiree Health Account under the Muncie RSP program, and met the requirements, she could have purchased Health Insurance coverage. From the information you related to me, I do not think she even would have qualified to have bought her own coverage under our Plan.

In order to meet the requirements for being able to purchase Group Health coverage she must meet the requirements of Article III, Section 2 of the Health Insurance Agreement (see page 2 of the 3/12/95 Health Insurance Agreement), also see Article VIII Section 8 of the Agreement.

Article III, Section 2 of the Health Insurance Agreement, in effect says that the Company provides employees(coverage) .."until such employee terminates his/her employment.....". The Company's sole obligations to such employees are set forth in Article VIII Section 8 of this Agreement.

Those Article VIII Section 8 A (pages 8 & 9) requirements are:

"For employees hired after December 31, 1992, the Company shall have no liability for providing health care coverage or for paying health care expenses after such employees terminate employment, except as set forth in this Article VIII Section 8."

Those Article VIII Section 8 B requirements are shown on page 9. (these are the plans they can purchase if they meet the requirements). Terminate with 30 years seniority, those who are disabled and those who are age 55 or older (Category B Retirees).

Those employees who were hired before 1/1/1993 and transferred to the Muncie RSP and who meet the same eligibility requirements as under the DB Plan —such as 30 years Credited Service, Age 60 with 10 or + years, or those with age 55 (85 Points) plus those who are eligible for an Extended Disability Benefit (must have 10 or + years) and Disabled would get Company provided Life & Health coverages.

